

The Mythology of the Social Impact Bond: A Critical Assessment from a Concerned Observer

Huckfield, Leslie

Veröffentlichungsversion / Published Version
Zeitschriftenartikel / journal article

Zur Verfügung gestellt in Kooperation mit / provided in cooperation with:
GESIS - Leibniz-Institut für Sozialwissenschaften

Empfohlene Zitierung / Suggested Citation:

Huckfield, L. (2020). The Mythology of the Social Impact Bond: A Critical Assessment from a Concerned Observer. *Historical Social Research*, 45(3), 161-183. <https://doi.org/10.12759/hsr.45.2020.3.161-183>

Nutzungsbedingungen:

Dieser Text wird unter einer CC BY Lizenz (Namensnennung) zur Verfügung gestellt. Nähere Auskünfte zu den CC-Lizenzen finden Sie hier:
<https://creativecommons.org/licenses/by/4.0/deed.de>

Terms of use:

This document is made available under a CC BY Licence (Attribution). For more Information see:
<https://creativecommons.org/licenses/by/4.0>

The Mythology of the Social Impact Bond. A Critical Assessment from a Concerned Observer

Leslie Huckfield *

Abstract: »Die Mythologie des Sozialen Wirkungskredits – eine kritische Bewertung eines besorgten Beobachters«. Social Impact Bonds (SIBs) entered public political discourse in the UK in 2007. Many of their original claims – that they represent a bipartisan approach, generate public sector savings, promote innovation, and transfer risk from the public sector – have little basis in evidence so far produced. These are “myths of SIBs.” This contribution explores four myths about SIBs, based on claims by SIB proponents – usually financial intermediaries and potential deliverers with vested interests in their success. Recent detailed evaluations and assessments show that a more cautious approach is needed before further expansion of SIBs and their funding takes place. Against considerable previous theoretical unpinning claimed by SIB proponents for these models, this contribution seeks to rectify serious omissions of public policy discourse, including analytical and theoretical literature, as a starting point for the relocation and reclamation of previous roles and territories for public service delivery. This article also presents detailed evidence on substantial funding from Government Departments, the UK National Lottery, and dormant bank accounts to support SIBs, the total of which amounts to more in subsidies for SIBs than the actual investment attracted from private investors. The conclusion is that it may be easier and even cheaper for public administrations directly to finance social programmes.

Keywords: Social impact investment, myths, public sector savings, financial innovation, evidence based policy, assessment, payment by results, transformation of social services, social impact bonds, United Kingdom.

1. Introduction

Social Impact Bonds (SIBs) represent a recent financial model for privatising public services, usually involving a delivery provider, external private investors, and public outcome funders. Their development and structures are usually promoted by a “social investment financial intermediary” – which may then become involved in their delivery (Warner 2013). Since 2007, SIBs have

* Leslie Huckfield, Glasgow Caledonian University, Cowcaddens Road, Glasgow G4 0BA, Great Britain; leslie.huckfield@gcu.ac.uk.

grown rapidly. In January 2018, 108 contracted impact bonds across 25 countries, along with many more in design, were reported (Gustafsson Wright 2018). More recently the UK Government Outcomes Lab databases shows that there were 71 UK SIBs (Blavatnik School of Government 2019), so that the UK accounts for half of all SIBs worldwide (Fox et al. 2017, 4).

But during ten years of SIBs, serious misperceptions and misunderstandings have arisen. This contribution examines four well known claims made for SIBs and finds little evidence to support them.

Firstly, some SIB advocates claim that they represent a bipartisan approach across political parties. But this claim is difficult to support. Rather than representing any kind of consensus across the political spectrum, most progress for SIBs under both Labour and Conservative Governments has been enabled through lack of public awareness and no political resistance. Minimal understanding of commissioning and procurement processes for UK public service delivery including social investment and SIBs has enabled their development below the political radar.

Secondly, SIB proponents cultivate a widespread myth about a “growing SIB market,” so that on account of this latest variant of privatisation, provision of public services may become less reliant on public resources. Instead, as shown below, there is ample evidence that there are more public subsidies for social investment and SIBs than external funding from investors, with most SIBs kept alive through underpinning by a constant programme of Government subsidies and promotions. To demonstrate this, Appendix 2 provides a list of Government programmes which support and promote SIBs.

Because significant transaction, ongoing support costs, and staff time are usually confidential, it is almost impossible to ascertain the real costs of most SIBs, whether from public or private sources. The role of intermediaries and evaluators, acting as SIB policy entrepreneurs and supply side drivers, is rarely mentioned, which overlooks their role and obscures the financial flows and real costs of SIBs.

Thirdly, proponents claim that SIBs are progressed within frameworks of evidence based policy and generate savings and increase efficiency through enabling government to finance only those services which are effective. But evaluations so far show little evidence of savings, impact measurement, or transfer of risk. Even where measurement has taken place, this either lacks rigour or substance and often both, with few comparisons with other financing models for service delivery. Evaluations in Table 1 show that it may be easier and even cheaper for public administrations directly to finance social programmes.

Fourthly, it is claimed that that SIBs promote innovation, with their financial backers supporting start-ups using venture capital. But evidence shows that once set up, many SIBs demonstrate little innovation in service delivery and

seek to increase rewards to their investors by minimising their financial exposure.

Despite little evidence to support any of these claims, it is striking that many SIB proponents still advance arguments they used ten years ago. In July 2018 UK local government finance organisations jointly published a guide to alternative service delivery models, using arguments from 2008 (Robinson et al. 2008; Social Finance 2009). “Social impact bonds (SIBs) allow governments to try out new social services on a no-win, no-fee basis, bringing in non-government investors to provide funding and transfer risk” (CGMA and CIPFA 2018, 14). A recent decision tree analysis shows that recent reports (e.g., Ronicle et al. 2014) have presented SIBs as “win, win, win” opportunities for all parties, but present the “benefits of SIBs against no clear comparator” (Giacomantonio 2017, 49). A range of SIB promoters and supporters keep repeating these myths about the functioning of SIBs, which this contribution seeks to demystify.

To provide insights for this contribution, the author has an extensive political background as a Labour Member of both Westminster and European Parliaments and as a Government Minister throughout the 1970s and 1980s. Since then, until entering academia, he specialised in securing funding and providing support for third sector organisations as their role became transformed in an increasingly neoliberal era. During this lengthy period of experience in policy making and delivery, he witnessed the onset of financialisation and increased private sector involvement to deliver welfare reform. This contribution therefore draws on personal practical experience and an initial meta analysis of recent evaluations and assessments of more significant UK SIB programmes, shown in Table 1 below.

These evaluation reports provide insights into problems arising during the setting up and delivery of SIBs, and seek to demystify claims made for SIB, including their use of evidence and innovation. This contribution also provides two appendices. Appendix 1 gives a political chronology for SIB developments, as discussed in Section 1. Appendix 2 provides a list of Government and other public funds dedicated to SIBs and social investment, which assists in a review of claims of government savings below, as discussed in Section 2. Both of these appendices are based on official sources, including the UK Government’s Cabinet Office, whose third sector role is now transferred to the Department of Culture Media and Sport.

Table 1: Evaluation Reports of UK SIBs

SIBs EVALUATED	BRIEF DESCRIPTION	EVALUATION REPORTS
Peterborough SIB 2009 to 2016	First Labour SIB. Aims to reduce recidivism	(Demel 2012; McKay 2013) (Disley et al. 2015)
SIBs funded by Department for Work and Pensions' Innovation Fund: 3 year £30mn pilot from April 2012 till November 2015	10 SIBs and 100% Payment by Results (PbR) funding for projects targeted on young people aged 14 and over who were disadvantaged or at risk of disadvantage	(Arena et al. 2016; Department of Work and Pensions 2014)
Nine "Health and Care Trailblazers"	Funding in 2013 by Department of Health Social Enterprise Investment Fund	Interim and Final Report by Policy Innovation Research Unit (Tan et al. 2015; Fraser et al. 2018)
Ongoing Evaluations of Social Outcomes and Commissioning Better Outcomes Funds (continuing series)	Programmes of central Government and Big Lottery funding across different policy areas to provide 50% SIB project costs	(Ecorys Research and Consulting 2016a, 2016b, 2017)
Meta Evaluation of 46 papers	29 relate to PbR programmes, 15 to SIBs and one PbR/SIB	Policy Evaluation Research Unit (PERU) Review (Fox and O'Leary 2017)
Meta Evaluation of 32 SIBs in England and Wales between 2010 and 2015 and 20 SIBs in the US	Overview of outcome based models, including UK SIBs and US Pay for Success	Policy Evaluation Research Unit (Albertson et al. 2018)

(Sources in this table are based on the author's own research).

2. The Myth of Bipartisanship and Parliamentary Control

Many scholars argue that SIBs have a bipartisan appeal, because they are “basically supportive of governmental welfare-spending, but combine this with shifting risk to private investors and the marketisation of right wing politics” (Maier and Meyer 2017, 7). Initial promotion and the launch of the UK’s first SIB in Peterborough was a Labour initiative (Robinson et al. 2008; Disley et al. 2015). Appendix 1 below shows clearly that policies for payment by results (PbR) and output measurement, on which SIBs and social investment are based, have all come from the left of British politics. They began with Ronald Cohen’s Social Investment Task Force (SITF), under Labour Chancellor Gordon Brown. From 2000 onwards, Cohen and others claimed that venture capital can “harness the most powerful forces of capitalism: entrepreneurship, innovation and capital to tackle social issues more effectively” (Chiapello and Godefroy 2017, 178).

Alongside Cohen's SITF Reports, (SITF 2000, 2003, 2005, 2010), SIBs were recommended from Brown's Council on Social Action in 2007 (Robinson et al. 2008, 24). Among these Labour policies is an important but often neglected report from David Freud to James Parnell, as Secretary of State for Work and Pensions in 2007, advocating payment by results to private contractors. This advocacy of extending payment by results paved the way for SIBs in the UK (Freud 2007, 67).

These policies for social investment and SIBs therefore came from the left of British politics at the highest level. Labour policies thus enabled Conservative Governments to expand SIB programmes described below without political debate. Rather than bipartisanship, it is a lack of awareness and accountability which has enabled expansion of Conservative Governments' continuing subsidies for SIBs.

This lack of public awareness was shown after Prime Minister May's speech on mental health service reform in January 2017, when she referred to UK "global leadership on SIBs" with £50mn to support "those with mental health issues back into work" (May 2017). Though there is no UK SIB programme for mental health, no one challenged her statement. The nearest approximation is the Life Chances Fund (Cabinet Office 2016b). Mental health service users do not feature in the programme guidance (Cabinet Office 2016b, 3).

There has been a similar lack of political awareness or interest in the publication of annual reports of the Government's Reclaim Fund – into which proceeds from dormant bank accounts are transferred. After its 2017 report, £362mn was distributed to Big Lottery Fund, with £301mn passed on to Big Society Capital, the social investment wholesaler (Ainsworth 2018). A continuing lack of public awareness enables the Government to use the dormant bank accounts of those now deceased, largely without Parliamentary questions or challenge, to provide subsidies for social investment and SIBs.

The House of Lords Select Committee held a series of public hearings on charities between July and December 2016. Published minutes from these hearings show that three leading SIB players faced only minimal questions. Firstly, on Tuesday, 25 October 2016, the Chief Executive of Esmée Fairbairn Foundation, one of the UK's largest independent foundations, referred to "an unspoken expectation that philanthropic capital will come in to take that risk on the outsourcing of public services," and continued, "we do not feel that underwriting statutory risks and costs or private sector risks and costs is a particularly good use of philanthropic capital" (House of Lords Select Committee on Charities 2016a).

Despite her previous experience with Big Society Capital, she was not asked any questions. Secondly, the Chief Executive of the influential intermediary Social Finance Ltd, which in August 2009 published the first UK SIB implementation guidance (Social Finance 2009) and in April 2010 set up the Peterborough SIB, spoke about the difficulties of smaller third sector organisations

in accessing social investment. “The sub £150,000 marketplace needs subsidy [...] the valley of death of investment is £50,000 up to £250,000 for normal commercial businesses” (House of Lords Select Committee on Charities 2016a). Despite this, he was not questioned by Committee Members. Thirdly, on Tuesday, 29 November 2016, the Chief Executive of Big Lottery, with administers substantial funds for SIB support, was not asked questions on SIBs (House of Lords Select Committee on Charities 2016b).

Finally, after six months of its published oral and written evidence, the Select Committee’s Report in March 2017 reflected its lack of questioning. The strongest criticism in the Report was that expectations placed upon SIBs had yet to materialise and that the Government’s focus on them was disproportionate to their potential impact. The Committee concluded that future public funding should be reoriented from SIBs “towards financial products with application to a wider range of charities and beneficiaries” (House of Lords Select Committee on Charities 2017, 86). After ten years for SIBs in a political wilderness, this Committee asked less than searching questions about promises of SIB savings, innovation, methodological rigour, and transparency.

3. The Myth of a SIB Market and Government Savings

SIB proponents continue to promote the myth of a growing SIB market for investors, when Government savings are needed. For example, the National Audit Office “estimates a 37% real-term reduction in government funding to local authorities between 2010/2011-2015/2016” (Hoare et al. 2016, 8). But despite promises of private funding, SIBs from their inception were fed by Government and Lottery funding. Far from producing savings, SIBs necessitate high public sector subsidies.

Appendix 2 shows that all major Government Departments, including HM Treasury and Cabinet Office, have contributed to ongoing SIB support and subsidies. From 2002 to 2017, Big Lottery and Government Departments, including HM Treasury and the Cabinet Office, contributed a total of £1,062,720,000 to SIB and social investment subsidies (Floyd et al. 2017, 22). Every £1 of SIB investment is supported by at least £1.15 of government money (Floyd 2017, 21). Early evaluations of SIB support programmes in Table 1 confirm central Government funding for around 50% of SIBs’ total project costs (Ecorys Research and Consulting 2016a, 2016b, 2017).

Many evaluation reports confirm that there are few savings. “Ways to Wellness,” an early UK health care SIB, promoted by Newcastle Gateshead Clinical Commissioning Group (CCG), uses social prescribing to improve long term health outcomes (Ronicle et al. 2014): “The total expected outcomes payments made to Ways to Wellness in its first six years of operation are £8.2mn, of

which £5.2mn (64%) will be paid by the CCG, £2mn (24%) by Commissioning Better Outcomes (CBO) and £1mn (12%) by Social Outcomes Fund (SOF).”

A further independent review by North East Quality Observatory Services indicated net savings to Newcastle West CCG of between £2mn and £7mn (Newcastle Clinical Commissioning Group 2017). But this is less than the SIB programme’s estimated total cost of £12.85mn (Fraser et al. 2018, 59).

Similarly, the Final Evaluations of nine “Trailblazer” healthcare SIBs confirmed a need for subsidy. Only one Trailblazer reported having made cashable savings from SIB-financed interventions (Fraser et al. 2018, 1). Some local commissioners may view SIBs favourably because evaluations show that many outcome payments are not paid by them but instead by central government and Big Lottery (Fraser et al. 2018, 142). Despite this, the Final Trailblazer Evaluation concludes that in the absence of financial savings, in four out of five Trailblazers, successful achievement of outcomes may come at increased cost to local commissioners, at least in the short to medium term (Fraser et al. 2018, 13).

These evaluations demonstrate that local authority and NHS commissioners view SIBs as simply another Government funding programme, with the added inducement of Government funding for feasibility studies to prepare for SIBs, usually funded as precursors or trailblazers to funding programmes in Appendix 2.

Though these examples show that savings from SIBs are small, their calculations systematically excludes transaction costs. Despite a series of Freedom of Information requests by the author, it is very difficult to trace the cost of promotional activities, evaluation reports, contract negotiation, policy entrepreneurs, and legal and economic consultants involved in SIB construction.

Additionally, the public sector costs, especially time and resources, are hidden. Firstly, many in academia provide regular updates and blogs to enhance their reputation as evaluators and intermediaries. “Since 2011, the GPL (Harvard Government Performance Lab) has provided pro bono government-side technical assistance on 84 projects, supporting leaders of 61 jurisdictions in 28 states” (Harvard Kennedy School of Government 2018). A UK policy community is emerging, which includes Newcastle University Business School, London Universities’ Policy Innovation Research Unit (PIRU), and Manchester Metropolitan University’s Policy Evaluation Research Unit (PERU), providing evaluation and intermediation and business models for more SIBs.

Secondly, in support of higher education and public service bodies, SIB service providers and intermediaries continue to promote SIBs (Albertson et al. 2018, 17). Social Finance, a prominent social investment financial intermediary, which set up the Peterborough SIB in 2009, is now active in the UK and US (Social Finance 2017).

Despite few publicly available figures for expenses incurred in structuring and managing SIBs, contractors, intermediaries, advisors, and independent

assessors, including for impact measurement, must all be paid. Giacomantonio argues that “it is unreasonable to believe that the addition of so many extra actors – including investors and intermediaries alongside commissioners and service providers – into a service contracting situation can result in lower transaction costs, and empirical findings to date bear this out” (Giacomantonio 2017, 59). These payments are not disclosed since most SIB negotiations for transaction costs are commercially confidential. Most intermediaries are not just impartial brokers and assessors of the SIB. They are also interested in making the SIB a success to keep them in business (Maier and Meyer 2017, 5).

It is thus not unreasonable to conclude that any small and difficult savings from SIBs might not be outweighed by additional but undocumented SIB transaction costs. This raises the issue of whether extensive resources to fund SIBs would be better spent on improving other commissioning approaches (Disley et al. 2015, 10).

4. The Myths of Evidence-Based Policy and Transfer of Risk

A third major claim made frequently for SIBs is that they exemplify evidence-based policy, with programmes soundly evaluated. The argument continues that any risk of failure will be assumed by private funders, so that commissioners make payments and investors receive rewards only if a SIB is successful.

After ten years of UK SIBs, most still rely on performance management information, rather than independent analysis or other accepted methods, to demonstrate the achievement of outputs. SIBs are rarely compared with existing service approaches with proven track records of financial accomplishment. In all but one of UK SIBs that have paid out to date, payment was based on performance targets, rather than counterfactual impact evaluation, with little or no mention of wider social outcomes linked to outcomes-based commissioning (Fox and Morris 2019, 5, 6). It is not clear whether different approaches will actually deliver results in combination (Joy and Shields 2013, 47). The independently funded Oxford Outcomes Lab has suggested that evaluations rarely explicitly or rigorously compare a SIB commissioning approach with a grant, fee-for-service, or even in-house delivery for a given population (Blavatnik School of Government 2019).

There is considerable difficulty finding causal evidence for SIBs. The Final Trailblazers’ Evaluation covering nine health and care SIBs showed that three out of four sites implicitly assumed that the SIB was responsible for outcomes, while in the other, “a pragmatic decision was taken to pay the provider as through the full outcomes target had been met” through difficulties in identifying appropriate data (Fraser et al. 2018, 100).

A comprehensive Brookings Institute report on the first five years of SIB experience worldwide (Gustafsson-Wright, Gardiner, and Putcha 2015, 20)

shows almost 30% of SIB evaluations based on Validated Administrative Data on special education, placement in care (residential or foster care), employment status, and incarceration, rather than Historical Comparisons, Quasi Experimental methods, or Randomised Control Trials. The PERU Evaluation Review includes perhaps the most pragmatic UK evaluation – of the Bridges Fund Management’s “It’s All About Me” Adoption SIB. Without any impact evaluation, the Cabinet Office simply stated that no children would have found a home without the SIB and that deadweight or displacement was nil (Albertson et al. 2018, 104). Many evaluations are published by UK government departments that commissioned them (ICF Consulting Services 2019). Robust counterfactual groups are hard to find and not prevalent in approaches to evaluating or measuring outcomes (DWP 2014; Tan et al. 2015). Evaluations frequently rely on existing administrative data sets and often report challenges either in accessing data or about the poor quality of data (Fox and O’Leary 2017, 6).

Despite claims of methodological rigour, the Policy Innovation Research Unit review (Albertson et al. 2018, 49-56; 72-5) found that much literature was either an analysis of the general SIB concept (e.g., Mulgan 2010, Fox and Albertson 2012) or literature reviews, sometimes combined with small-scale surveys of stakeholders (e.g., Jackson 2013, Ronicle et al. 2014). Tan et al. (2015, 5) searched databases but found little empirical data about SIBs, despite a larger academic, policy, and “grey” literature about theoretical impacts of SIB funding for providing public services (Fox, Albertson, and O’Leary 2017, 12).

SIB proponents also claim that SIBs transfer risk from the public sector to intermediaries and private investors. But little actual risk transfer takes place. Despite extensive subsidies, most external private investment has come from trusts and foundations persuaded by Government, rather than from high net worth private investors’ taking risks. CAF Venturesome has made investments of more than £40mn in 500 charities and social enterprises. Esmée Fairbairn Foundation, the UK’s largest trust, invested £45mn in 120 investments (Floyd, Davis, and Merryfield 2017). The Trailblazer Final Evaluation found little evidence that the opportunity to invest was seen by commercially minded private investors as offering a sufficiently attractive new investment opportunity (Fraser et al. 2018, 134).

In several cases, transfer of risk simply does not take place because different mechanisms are inserted to protect investments through public guarantees, subsidies, or philanthropy (Arena et al. 2016, 930). Similarly, the UK National Audit Office found little evidence of payment by results risk transfer (National Audit Office 2015). The Policy Innovation Research Unit review concluded that it is by no means clear that the UK Government’s PbR approach has resulted in cost and risk reduction (Albertson et al. 2018, 111).

5. The Myth of Innovation

Many SIB promoters hail their potential for innovation in service design, as a new type of intervention to solve social problems. But in many cases, there is significant deviation from SIBs initial promises, so that innovation is minimised.

Neither PbR nor SIB programmes in the UK have been strongly associated with innovation in service design. The Peterborough SIB was a prime example. Apart from using a SIB mechanism, any innovation was not necessarily a result of SIB funding, as non-SIB funded initiatives showed similar characteristics (Disley et al. 2015, 8). In Rikers Island, the claimed innovative model was the Adolescent Behavioural Learning Experience (ABLE), “a cognitive behavioural therapy proven to reduce recidivism” (Warner 2013, 312). But the VERA Institute of Justice Adolescent Behaviour Learning Experience Impact Evaluation of Rikers showed that it made little impact on reoffending (Parsons, Weiss, and Wei 2016).

Instead of innovating, many SIBs amplify existing interventions. Providers are tempted to replicate existing interventions, rather than innovation (Albertson et al. 2018, 27). SIBs typically focus on scaling up or extending the reach of existing evidence-based programmes, and provide support for evidence-based policy and practice, rather than deliver any innovation (Albertson et al. 2018, 107). Some interventions are relatively conventional in approach and/or are similar to non SIB programmes (Fox, Albertson, and O’Leary 2017, 7).

Furthermore, as shown above, SIBs are not innovative on account of their financing, since considerable evidence shows that their financiers and investors are risk averse (Bafford 2012, 13; Godeke 2013, 73; Manpower Demonstration Research Corporation 2016, 16, 21).

Finally, in a context of reduced public spending, some third sector organisations claim that SIBs offer greater financial stability to non-profit and voluntary sector organizations delivering these services (Leventhal 2012; Jackson 2013; Social Enterprise UK 2013; Clark et al. 2014). But evaluations show that many small-scale third sector organisations may be discouraged, or intimidated, from taking part in a SIB for a number of reasons, particularly the large-scale nature of SIBs and the implications of an outcomes-focus and pressurise to deliver outcomes (Fraser et al. 2018, 36).

Finally, as shown above, many SIBs rely on existing metrics and methods. This means that in practice, SIBs diverge from a SIB prototype by avoiding elements beyond the traditional logic of public procurement for reengineering, and thus increasing the efficiency, of the public expenditure supply chain (Arena et al. 2016, 934).

6. Conclusion

Through evaluations and assessments above, this contribution has sought to show that caution is needed in responding to claims made for SIBs. Section 1 shows that instead of SIBs' representing a bipartisan approach, progress under Labour and Coalition Governments has largely been assisted through lack of public awareness and lack of Parliamentary accountability. Sections 2 and 3 show that data in Government and independent reports does not allow us to answer the question of whether SIBs are likely to be superior to other approaches to commissioning (Fraser et al. 2018, 141).

All sections above show that there is little evidence to support claims made by SIB advocates. SIB evaluations and analyses in sections 2 and 3 demonstrate that it is questionable whether SIBs are more effective or efficient than other funding regimes. In an initial literature review, which preceded their Final Trailblazer evaluation in Table 1 and section 3, Fraser et al. conclude that there is

very little rigorous counterfactual comparison of SIBs versus alternative methods of finance to deliver the same service to the same type of users, and thus a lack of evidence of costs and benefits compared with the alternative approach to procurement [...] the lack of quantitative data and evidenced cashable savings is worrying. (Fraser et al. 2016, 13)

Focus on measurement raises significant questions about attribution of outcomes to the actions of providers and financiers and how any "SIB effect" can adequately be interpreted and validated (Fraser et al. 2016, 13).

Finally, as in section 2, the role of SIB promoters as policy entrepreneurs is largely overlooked, with questions on whether transaction, governance, and evaluation costs outweigh efficiency gains and how real innovation can be fostered without risking viability of smaller deliverers and providers. The author concurs with the conclusion of Fox et al. that the potential of a SIB/PbR approach may not be as an innovative form of commissioning, but rather as an innovative form of enabling (Fox et al. 2017, 19).

References

- Access Foundation. 2019. *Access - The Foundation for Social Investment*. <<https://access-socialinvestment.org.uk/>> (Accessed August 23, 2019)
- Ainsworth, David. 2018. *Another £100m Raised from Dormant Accounts from Good Causes*. Civil Society. Civil Society. <<https://www.civilsociety.co.uk/news/another-100m-raised-from-dormant-accounts-from-good-causes.html>> (Accessed August 23, 2019).
- Albertson, Kevin, Chris Fox, Chris O'Leary, and Gary Painter. 2018. *Payment by Results and Social Impact Bonds*. Bristol: Policy Press.

- Alcock, Pete, Ross Millar, and Kelly Hall. 2012. *Start-up and Growth: National Evaluation of the Social Enterprise Investment Fund (SEIF)*. Birmingham: Third Sector Research Centre. <<https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/tsrc/reports/SEIF/SEIFevaluationreport-December2012.pdf>> (Accessed May 21, 2020).
- Arena, Marika, Irene Bengo, Mario Calderini, and Veronica Chiodo. 2016. Social Impact Bonds: Blockbuster or Flash in a Pan? *International Journal of Public Administration* 39 (12): 927-39. doi:10.1080/01900692.2015.1057852.
- Bafford, Beth. 2012. The Feasibility and Future of Social Impact Bonds in the United States. Duke University. *Sanford Journal of Public Policy*. <https://sites.duke.edu/sjpp/files/2012/10/The-Feasibility-and-The-Future-of-Social-Impact-Bonds.pdf>.
- Bank of England. 2003. *The Financing of Social Enterprises: A Special Report by the Bank of England*. London: Bank of England. <www.bankofengland.co.uk/news/2003/may/the-financing-of-social-enterprises> (Accessed May 21, 2020).
- Big Lottery. 2011. Next Steps: Funding - Big Lottery Fund. <<http://www.biglotteryfund.org.uk/global-content/programmes/england/next-steps>> (Accessed August 23, 2019).
- Big Lottery Fund. 2013. *Lottery Announces Joined-Up Support with Cabinet Office for Social Investment Market*, ed. Big Lottery Fund, vol. 2013. Social Investment, Book, Whole. London: Big Lottery Fund. <https://www.biglotteryfund.org.uk/global-content/press-releases/england/090713_eng_sib_for-social-investment-market> (Accessed May 21, 2020).
- Big Lottery Fund. 2017. *Commissioning Better Outcomes and the Social Outcomes Fund: Funding*. Big Lottery Fund. <<http://www.biglotteryfund.org.uk/sioutcomesfunds>> (Accessed August 23, 2019).
- Big Society Capital. 2017. *SITR Guidance Note on 2017 Rule Changes*. Big Society Capital. <<https://www.bigsocietycapital.com/sites/default/files/SITR%20Guidance%20Note%20on%202017%20Rule%20Changes.pdf>> (Accessed August 23, 2019).
- Blavatnik School of Government. 2019. Government Outcomes Lab. <<https://golab.bsg.ox.ac.uk/>> (Accessed August 23, 2019).
- Cabinet Office. 2012. *Launch of Big Society Capital – the World’s First Ever Social Investment Market Builder*. GOV UK. <<https://www.gov.uk/government/news/launch-of-big-society-capital-the-world-s-first-ever-social-investment-market-builder>> (Accessed August 23, 2019).
- Cabinet Office. 2013. *Social Outcomes Fund*. Cabinet Office. <<https://www.gov.uk/government/publications/social-outcomes-fund-how-to-apply>> (Accessed May 21, 2020).
- Cabinet Office. 2014a. *Social Incubator Fund*. Cabinet Office. <<https://www.gov.uk/government/news/10-million-social-incubator-fund-launches>> (Accessed August 23, 2019).
- Cabinet Office. 2014b. Review of the Dormant Bank and Building Society Accounts Act 2008. Gov UK. *GOV.UK*. March. <<https://www.gov.uk/government/publications/review-of-the-dormant-bank-and-building-society-accounts-act-2008>> (Accessed August 23, 2019).
- Cabinet Office. 2014c. *Fair Chance Fund and Single Homeless Fund: £23 Million to Help Homeless Turn around Their Lives*. Gov UK. <<https://www.gov.uk/>>

- government/news/23-million-to-help-homeless-turn-around-their-lives> (Accessed August 23, 2019).
- Cabinet Office. 2015. *Youth Engagement Fund: New Social Impact Bonds to Support Public Services*. Gov UK. <<https://www.gov.uk/government/publications/youth-engagement-fund-prospectus>> (Accessed August 23, 2019).
- Cabinet Office. 2016a. *£80 Million Boost for Life Chances: The Cabinet Office Has Launched an £80 Million 'Life Chances Fund' to Support Social Impact Bonds (SIB) to Help Transform People's Lives*. <<https://www.gov.uk/government/news/80-million-boost-for-life-chances-fund-to-transform-lives-across-the-uk>> (Accessed August 23, 2019).
- Cabinet Office. 2016b. *Life Chances Fund: Overview of Life Chances Fund. Guidance for Life Chances Fund*. <<https://www.gov.uk/government/publications/life-chances-fund>> (Accessed August 23, 2019).
- Cabinet Office, and HM Government. 2011. *Growing the Social Investment Market: A Vision and Strategy*. London: Cabinet Office.
- CGMA, and CIPFA. 2018. *Transformation: How Finance Teams Are Driving Local Government Innovation*, vol. 5. London: Chartered Global Management Accountant and Chartered Institute of Public Finance. <<https://www.cgma.org/content/dam/cgma/resources/downloadabledocuments/transformation-improving-government-performance.pdf>> (Accessed August 23, 2019).
- Chancellor of Exchequer. 2000. *Building Long-Term Prosperity for All*. London: HM Treasury. <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/266022/4917.pdf> (Accessed August 23, 2019).
- Chiapello, Eve, and Gaëtan Godefroy. 2017. The Dual Function of Judgment Devices. Why Does the Plurality of Market Classifications Matter? *Historical Social Research* 42 (1): 152-88. doi: 10.12759/hsr.42.2017.1.152-188.
- Department of Health Social Enterprise Unit. 2007. *Welcoming Social Enterprise into Health and Social Care: A Resource Pack for Social Enterprise Providers and Commissioners*. Leeds: Department of Health Social Enterprise Unit. <http://webarchive.nationalarchives.gov.uk/20130107105354/http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_072927.pdf> (Accessed August 23, 2019).
- Department of Work and Pensions. 2014. *Department for Work and Pensions Innovation Fund*. Department for Work and Pensions Innovation Fund. Gov UK. <<https://www.gov.uk/government/publications/innovation-fund>> (Accessed August 23, 2019).
- Disley, Emma, Chris Giacomantonio, Kristy Kruithof, and Megan Sim. 2015. *The Payment by Results Social Impact Bond Pilot at HMP Peterborough: Final Process Evaluation Report: Rand Europe*. London: Ministry of Justice. <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/486512/social-impact-bond-pilot-peterborough-report.pdf> (Accessed August 23, 2019).
- Ecorys Research and Consulting. 2016a. *Reconnections Social Impact Bond: Reducing Loneliness in Worcestershire: An In Depth Review Produced as Part of the Commissioning Better Outcomes Evaluation*. London: Ecorys.
- Ecorys Research and Consulting. 2016b. *Ways to Wellness Social Impact Bond: The UK's First Health SIB. A Deep Dive Report Produced as Part of the Com-*

- missioning *Better Outcomes Fund Evaluation*. Leeds: Ecorys Research and Consulting.
- Ecorys Research and Consulting. 2017. *Big Lottery Fund Social Impact Bonds Evaluation*. Big Lottery. <<http://www.biglotteryfund.org.uk/research/social-investment/publications>> (Accessed August 23, 2019).
- Floyd, David. 2017. *Social Impact Bonds: An Overview of the Global Market for Commissioners and Policy Makers*. Social Spider. <http://socialspider.com/wp-content/uploads/2017/04/SS_SocialImpactReport_4.0.pdf> (Accessed August 23, 2019).
- Floyd, David, Kat Davis, and Anna Merryfield. 2017. Mapping the Use of Subsidy in the UK Social Investment Market. London: Access Foundation. <<https://access-socialinvestment.org.uk/wp-content/uploads/2017/09/SubsidyReport.pdf>> (Accessed August 23, 2019).
- Fox, Chris, Kevin Albertson, and Chris O'Leary. 2017. Are 'Payment by Results' and 'Social Impact Bonds' Efficient Ways to Advance Social Goods? In *IPPR Conference*, 24. Singapore: International Public Policy Association. <<http://www.ippapublicpolicy.org/file/paper/594b8f97b0b01.pdf>>.
- Fox, Chris, and Stephen Morris. 2019. Evaluating Outcome-Based Payment Programmes: Challenges for Evidence-Based Policy. *Journal of Economic Policy Reform*. Routledge: 1-17. doi:10.1080/17487870.2019.1575217
- Fox, Chris, and Chris O'Leary. 2017. *[Background paper to support a] Review of PbR and SIB Evaluation Evidence: Methods and Papers*. Policy Evaluation and Research Unit. <http://www.mmuperu.co.uk/assets/uploads/files/Review_of_PbR_and_SIB_evaluation_evidence_METHODS_AND_PAPERS.pdf> (Accessed August 23, 2019).
- Fraser, Alec, Stefanie Tan, Kristy Kruithof, Megan Sim, Emma Disley, Chris Giacomantonio, Mylene Lagarde, and Nicholas Mays. 2018. *Evaluation of the Social Impact Bond Trailblazers in Health and Social Care*. London: Policy Innovation Research Unit. <<http://piru.lshtm.ac.uk/assets/files/SIB%20Trailblazers%20Evaluation%20final%20report.pdf>> (Accessed August 23, 2019).
- Fraser, Alec, Stefanie Tan, Mylene Lagarde, and Nicholas Mays. 2016. Narratives of Promise, Narratives of Caution: A Review of the Literature on Social Impact Bonds. *Social Policy & Administration* 52 (1): 4-28. doi:10.1111/spol.12260.
- Freud, David. 2007. *Reducing Dependency, Increasing Opportunity: Options for the Future of Welfare to Work. An Independent Report to the Department for Work and Pensions*. London: Department of Work and Pensions. <<http://image.guardian.co.uk/sys-files/Politics/documents/2007/03/05/welfarereviewreport.pdf>>.
- Giacomantonio, Chris. 2017. Grant-Maximizing but Not Money-Making: A Simple Decision-Tree Analysis for Social Impact Bonds. *Journal of Social Entrepreneurship* 8 (1): 47-66. doi:10.1080/19420676.2016.1271348.
- Godeke, Steven. 2013. Community Reinvestment Act Banks as Pioneer Investors in Pay for Success Financing. *Community Development Investment Review* 9: 69-74.
- Gustafsson Wright, Emily. 2018. Impact Bonds Could Offer a Paradigm Shift towards More Effective Public Services. Policy Innovation Research Unit. <<https://blogs.lshtm.ac.uk/piru/2018/04/16/impact-bonds-could-offer-a->

- paradigm-shift-towards-more-effective-public-services/> (Accessed August 23, 2019).
- Gustafsson-Wright, Emily, Sophie Gardiner, and Vidya Putcha. 2015. *The Potential and Limitations of Impact Bonds Lessons from the First Five Years of Experience Worldwide*. Washington DC: Brookings Institute.
- Harvard Kennedy School of Government. 2018. *Six Additional Governments to Receive Technical Support from Harvard Kennedy School's Government Performance Lab*. Harvard Kennedy School. <<https://www.hks.harvard.edu/announcements/six-additional-governments-receive-technical-support-harvard-kennedy-schools>> (Accessed August 23, 2019).
- Hazenber, Richard. 2015. *BIG Potential Breakthrough Evaluation Report: Report from University of Northampton*. London: University of Northampton for Big Lottery. <<http://www.bigpotential.org.uk/sites/default/files/Final%20Big%20Potential%20year%201%20evaluation%20August%2015.pdf>> (Accessed August 23, 2019).
- HM Government, and Liam Byrne. 2009. *Putting the Frontline First*. London: HM Government.
- Hoare, George, Patrick Murray, and Sue Wixley. 2016. *Boldness in Times of Change: Rethinking the Charity Sector for the Future*. London: New Philanthropy Capital. <<http://www.thinknpc.org/blog/thinking-ahead-what-does-the-future-hold-for-charities/>> (Accessed August 23, 2019).
- House of Lords. 2016a. Select Committee on Charities: Hearings on Tuesday 25 October 2016: Caroline Mason, Jonathan Jenkins and Peter Holbrook. UK Parliament. <<https://www.parliament.uk/business/committees/committees-a-z/lords-select/charities-committee/timeline/>> (Accessed August 23, 2019).
- House of Lords. 2016b. Oral Evidence before House of Lords Select Committee on Charities November 29 2016. House of Lords Select committee. <<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/select-committee-on-charities/charities/oral/44280.html>> (Accessed August 23, 2019).
- House of Lords. 2017. Stronger Charities for a Stronger Society. House of Lords Select Committee Report HL Paper 133. London: House of Lords.
- ICF Consulting Services. 2019. Evaluation of Fair Chance Fund: Final Report. Gov UK. <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/793810/Fair_Chance_Fund_final_report.pdf> (Accessed August 23, 2019).
- Joy, Meghan, and John Shields. 2013. Social Impact Bonds: The Next Phase of Third Sector Marketisation? *Canadian Journal of Nonprofit and Social Economy Research* 4 (2): 39-55.
- Lloyd, Peter. 2002. Regional Strategies for Social Enterprise Development. Liverpool: University of Liverpool.
- London Arts in Health Forum. 2015. *Big Potential lottery funding – open deadline*. London Arts in Health Forum. <<http://www.lahf.org.uk/big-potential-lottery-funding-%E2%80%93-open-deadline>> (Accessed May 21, 2020).
- Maier, Florentine, and Michael Meyer. 2017. Social Impact Bonds and the Perils of Aligned Interests. *Administrative Sciences* 7 (3): 24. doi:10.3390/admsci7030024.

- May, Theresa. 2017. *Prime Minister Unveils Plans to Transform Mental Health Support*. Gov UK. <<https://www.gov.uk/government/news/prime-minister-unveils-plans-to-transform-mental-health-support>> (Accessed August 23, 2019).
- National Audit Office. 2009. *Building the Capacity of the Third Sector*. London: National Audit Office. <<http://www.nao.org.uk/wp-content/uploads/2009/02/0809132.pdf>> (Accessed August 23, 2019).
- National Audit Office. 2015. *Outcome-Based Payment Schemes: Government's Use of Payment by Results*. London: National Audit Office.
- Newcastle Clinical Commissioning Group. 2017. *Background Information and Frequently Asked Questions*. Ways to Wellness. <http://waystowellness.org.uk/background-information/> (Accessed August 23, 2019).
- Parsons, Jim, Chris Weiss, and Qing Wei. 2016. *Impact Evaluation of the Adolescent Behavioural Learning Experience (ABLE) Programme*. New York, New York: VERA Institute of Justice.
- PIRU. 2015. *An Evaluation of Social Impact Bonds in Health and Social Care Interim Report*. London: Policy Innovation Research Unit. <<http://www.piru.ac.uk/assets/files/Trailblazer%20SIBs%20interim%20report%20March%202015,%20for%20publication%20on%20PIRU%20siteapril%20amendedpdf11may.pdf>> (Accessed August 23, 2019).
- Robinson, David, Kay Allen, Oli Barrett, Shankari Chandran, Olga Heaven, Geoff Mulgan, Young Foundation, et al. 2008. Council on Social Action: Commentary on year one. London: Council on Social Action. <https://s27436.pcdn.co/wp-content/uploads/WEB_Commentary_year1.pdf> (Accessed August 23, 2019).
- Ronicle, James, and Tim Fox. 2016. *In Pursuit of Readiness: An Evaluation of the Investment and Contract Readiness Fund*. Social Investment Business. <<https://www.sibgroup.org.uk/resources/in-pursuit-of-readiness>> (Accessed August 23, 2019).
- Ronicle, James, Neil Stanworth, Edward Hickman, and Tim Fox. 2014. *Social Impact Bonds: The State of Play. Commissioning Better Outcomes Evaluation*. London: Big Lottery. <<https://www.biglotteryfund.org.uk/global-content/programmes/england/commissioning-better-outcomes-and-social-outcomes-fund/cboevaluation>> (Accessed August 23, 2019).
- Rudd, Timothy, Elisa Nicoletti, Kristin Misner, and Janae Bonsu. 2016. Financing Promising Evidence-Based Programs: Early Lessons from the New York City Social Impact Bond. <http://www.mdrc.org/sites/default/files/Financing_Promising_evidence-Based_Programs_FR.pdf> (Accessed August 23, 2019).
- SITF. 2000. *Enterprising Communities: Wealth Beyond Welfare: Report to the Chancellor of the Exchequer from the Social Investment Task Force*. Social Investment Task Force. <https://static1.squarespace.com/static/5a6f0b584c0dbf370367c95a/t/5b27ccd803ce643d6e7ccb10/1529335005229/SITF_Oct_2000.pdf> (Accessed August 23, 2019).
- SITF. 2003. *Enterprising Communities: Wealth Beyond Welfare*. London: Social Investment Task Force. <https://static1.squarespace.com/static/5a6f0b584c0dbf370367c95a/t/5b27cd1ef950b7fedf445e0f/1529335086558/SITF_July_2003.pdf> (Accessed August 23, 2019).
- SITF. 2005. *Enterprising Communities: Wealth Beyond Welfare 2005 Update*. London: Social Investment Task Force. <https://static1.squarespace.com/static/5a6f0b584c0dbf370367c95a/t/5b27cd1ef950b7fedf445e0f/1529335086558/SITF_July_2005.pdf> (Accessed August 23, 2019).

- com/static/5a6f0b584c0dbf370367c95a/t/5b27ce070e2e7236482eb363/1529335305895/SITF_July_2005.pdf> (Accessed August 23, 2019).
- SITF. 2010. *Social Investment Ten Years On: Final Report of the Social Investment Task Force*. Social Investment Task Force. <<http://foratarefafinancassociais.org.br/wp-content/uploads/2015/08/Social-Investment-10-Years-On.pdf>> (Accessed August 23, 2019).
- Social Economy Alliance. 2017. *Social Economy Alliance: Manifesto for an Inclusive Economy*. Social Enterprise UK: Social Economy Alliance. <<https://socialeconomyalliance.files.wordpress.com/2017/05/sea-manifesto-for-an-inclusive-economy-2017.pdf>> (Accessed August 23, 2019).
- Social Finance. 2009. *Social Impact Bonds: Rethinking Finance for Social Outcomes*. Social Finance. <<https://www.socialfinance.org.uk/resources/publications/social-impact-bonds-rethinking-finance-social-outcomes>> (Accessed August 23, 2019).
- Social Finance. 2017. *Social Impact Bonds Reach Global Mass: 108 Projects Launched in 24 Countries*. Social Finance. <https://www.socialfinance.org.uk/sites/default/files/news/sf_gn_100_sibs_press_release_final_30_jan_18_1.pdf> (Accessed August 23, 2019).
- Tan, Stefanie, Alec Fraser, Chris Giacomantonio, Kristy Kruithof, Megan Sim, Mylene Lagarde, Emma Disley, Jennifer Rubin, and Nicholas Mays. 2015. *An Evaluation of Social Impact Bonds in Health and Social Care. Interim Report*. PIRU. <<https://piru.lshtm.ac.uk/assets/files/Trailblazer%20SIBs%20interim%20report%20March%202015,%20for%20publication%20on%20PIRU%20siteapril%20ameendedpdf11may.pdf>> (Accessed August 23, 2019).
- Third Sector, 05. 2004. *Futurebuilders Fund Launches with First Grants from 5 July*. Third Sector. <<https://www.thirdsector.co.uk/futurebuilders-fund-launches-first-grants-5-july/article/618429>> (Accessed August 23, 2019).
- Thomas, Andrew, Rita Griffiths, and Alison Pemberton. 2016. *Qualitative Evaluation of the DWP Innovation Fund: Final Report. Research Summary. DWP Innovation Fund Report*. Department of Work and Pensions. <https://nls.ldls.org.uk/welcome.html?ark:/81055/vdc_100035988353.0x00000> (Accessed August 23, 2019).
- Warner, Mildred. 2013. Private Finance for Public Goods: Social Impact Bonds. *Journal of Economic Policy Reform* 16 (4): 303-19. <<http://www.tandfonline.com/doi/pdf/10.1080/17487870.2013.835727?needAccess=true>>
- Wilson, Rob. 2016. 'Social Impact Bond Market Could Be Worth £1bn' Says Minister. Civil Society. <http://www.civilsociety.co.uk/finance/news/content/21089/social_impact_bond_market_could_be_worth_1bn_says_minister> (Accessed August 23, 2019).

Appendix

Appendix 1: Chronology of UK SIB Developments with Political Origins

From 2000 till 2010, the following initiatives were all from Labour Governments or Labour supporting organisations, except for 2003 Bank of England Report:

April 2000 – Creation of ‘Social Investment Task Force’ (SITF). Labour Chancellor sets up Task Force (SITF) under venture capitalist Ronald Cohen, as first steps towards private investment in public services. “To set out how entrepreneurial practices can be applied to obtain higher social and financial returns from social investment” (SITF 2000, 3).

October 2000 – SITF Report “Enterprising Communities: Wealth Beyond Welfare: First Report to the Chancellor of the Exchequer from Social Investment Task Force” Recommends Community Development Venture Funds, Tax Credit, and Support for Community Development.

November 2000 HM Treasury Pre Budget Report. First mention of tax incentive for community investment – a “Community Investment Tax Credit” (Chancellor of Exchequer 2000, para. 3.70).

2002 Peter Lloyd (University of Liverpool) Report to Social Enterprise Coalition. A significant external academic report, which Includes commissioning and contracting within a framework which still broadly in place (Lloyd 2002).

March 2003. Department of Trade and Industry (DTI) consultation document “Enterprise for Communities” and “Working Paper: Finance for CICs” and Proposals for a Community Interest Company (CIC). CICs represent an additional “layer” for private Companies Limited by Shares and Companies Limited by Guarantee and others. This move to individually owned structures formed a basis for organisations which later deliver social investment and SIBs.

May 2003 The Financing of Social Enterprises: Special Report by Bank of England. “Problems in obtaining external finance were cited more often by social enterprises as a major barrier to expanding trading activity than any other barrier” (Bank of England 2003, 29). This was a forerunner to loans.

July 2003. SITF 2003 Update “Enterprising Communities: Wealth Beyond Welfare” (SITF 2003). Update from 2000 recommendations on Community Investment Tax Credit, Community Development Venture Funds, etc.

December 2003. Futurebuilders Fund Created (see Appendix 2). Consortium of Charity Bank, Unity Trust Bank, National Council for Voluntary Organisations and Northern Rock Foundation wins HM Treasury contract to deliver Futurebuilders. First major £215mn investment fund for social enterprise loans and equity (National Audit Office 2009, 5).

July 2005. SITF 2005 Update “Enterprising Communities: Wealth Beyond Welfare” (SITF 2005). Further updates on developments recommenced in 2003 Report above.

January 2006. Department of Health creates internal Social Enterprise Unit. “Social Enterprises are business-like entrepreneurial organisations with primarily social objectives” (Department of Health Social Enterprise Unit 2007, 4). Unit for outsourcing laid foundations for social investment and SIBs.

2006. Social Enterprise Unit functions move to Regional Development Agencies (RDAs). Social Enterprise Action Plan “Scaling New Heights” transfers social enterprise policy to RDAs, with further £0.5mn support, thus mainstreaming third sector outsourcing of public service delivery.

February 2007. David Freud Report “Reducing Dependency, Increasing Opportunity: Options for the Future of Welfare to Work.” Though an independent report to Labour Secretary for Work and Pensions, Freud later became Conservative Government Minister. Significant extension of payment by results, which forms basis for outsourced welfare programmes, later using SIBs.

2007. Social Enterprise Investment Fund (SEIF) established by the Department of Health. £100mn in three phases over four-years to support development of social enterprises in health and social care services (see Appendix 2). SEIF later used to support nine Health and Care Trailblazers.

2007. Council on Social Action, convened by Gordon Brown, Labour Chancellor. First Government mention of SIBs. “(S)ocial investors could be persuaded to take on implementation risk (the risk that given interventions will genuinely improve social outcomes) that has previously been borne by government” (Robinson et al. 2008, 24).

2007. Foundation of Social Finance Ltd, Ronald Cohen as Chair. Later sets up Labour’s first SIB in Peterborough 2009.

November 2008. Labour Government’s Dormant Bank Accounts Act. Leads to 2012 Conservative Government tasking Big Society Capital to manage £600mn from dormant bank accounts and “Merlin Banks,” later to become a “social investment wholesaler” to fund SIBs (see Appendix 2).

2009. “Social Impact Bonds: Rethinking Finance for Social Outcomes.” Highly influential Social Finance policy document, supporting Labour Government, promoting SIB arguments still in current use. (Social Finance set up Labour’s first SIB in Peterborough). “Potential Social Impact Bond applications” foreshadowed policy areas where SIBs feature today (Social Finance 2009, 5).

December 2009. Labour Government White Paper “Putting the Frontline First.” First mention of SIBs in any Government White Paper “actively developing a pilot to use Social Impact Bonds to draw in new investment into third sector service provision” (HM Government and Byrne 2009, 32).

April 2010. Peterborough SIB. Labour Government. Widely trailed first actual UK SIB. £11.25mn grant from Big Lottery to Social Finance as intermediary, with significant support from other organisations.

April 2010. Final Report of Social Investment Task Force. SIBs “developed to address these issues by enabling significant private investment in preventative interventions through social sector organisations” (SITF 2010, 18).

From 2010 till 2017, the following initiatives from Coalition or Conservative Governments used Labour's original structures. Also shows national third sector organisations, which had supported Labour initiatives, continuing to support those from Conservatives.

February 2011. Conservative and Liberal Democrat Coalition White Paper, "Growing the Social Investment Market." Used many similar arguments from SITF Final Report and "Putting the Frontline First" 2009 Labour White Paper, including SIBs (Cabinet Office and HM Government 2011, 30).

April 2012. Big Society Capital begins operations as social investment wholesale agent. Based on 2008 Labour Dormant Bank Accounts Act "Big Society Capital will grow the social investment market which blends financial return with positive social impact" (Cabinet Office 2012).

2013. Department of Health promotes SIBs in 9 sites. "SIB Trailblazers in Health and Social Care." Labelled "SIB Trailblazers" above (Fraser et al. 2016, 2018).

June 2013. Social Economy Alliance launch at "Social Economy Summit" to influence Local Government and European Elections and 2015 UK General Election. Formed by Social Enterprise UK (main UK social enterprise organisation) and wide range of third sector organisations. Demonstrates accommodation of national third sector organisations within Coalition and Conservative Government policies.

2013 till 2017. Series of SIB Funds and Conservative Government and Big Lottery Support Funds (see Appendix 2). Funding SIB feasibility studies, infrastructure costs, and payments to investors.

May 2017 General Election. "Social Economy Alliance Manifesto for an Inclusive Economy" continued to support Government policies above for outsourcing to private and third sector organisations (Social Economy Alliance 2017, 4).

March 2017. Dormant Assets Commission. Arising from 2008 Labour Dormant Bank Accounts Act, Commission reports to Conservative Government on a further potential £2bn from dormant charity and other unclaimed assets, which may be "earmarked for good causes." This significant extension for potential use of unclaimed assets to support Government target of £1bn of SIBs by the end of this Parliament – i.e., five years (Wilson 2016).

Appendix 2: Public Findings for SIBs and Social Investment

Year and Fund or Financial Instrument	Amount Committed /Invested	Origin of Money	Purpose	Sources
2004 Futurebuilders Fund	£215mn	HM Treasury	First major Government programme to support external investment in social enterprises to improve third sector service delivery, offering mix of grants and loans from £30,000 to several million pounds to around 250 organisations over the next 3 years.	(Third Sector 2004)
2007 Social Enterprise Investment Fund (SEIF)	£100mn in 3 phases over 4 years	Department of Health	To support development of social enterprise in health and social care services. Evaluation of Fund reported "until 31 March 2011 a total investment of £80,712,510 was made by the SEIF (across 531 organisations)." SEIF later funded Department of Health "SIB Trailblazers" (Table 1 above).	(Alcock, Millar and Hall 2012, 4) (PIRU 2015)
2008 Dormant Bank Accounts Act		Provides platform for 2012 Big Society Capital	"Act enables banks and building societies...to transfer money held in dormant accounts to a central reclaim fund". Reclaim Fund responsible for meeting reclaims and passing on surplus for reinvestment in community through Big Lottery.	(Cabinet Office 2014b)
November 2011 "Next Steps: Supporting Social Investment in England"	£6mn	Big Lottery	Further Government encouragement for Lottery to provide support for social investment and SIBs.	(Big Lottery 2011)
April 2012 Big Society Capital	£600mn	£400mn under 2008 Dormant Bank Accounts Act. £200mn from main banks	Social Investment wholesaler, including funding for SIBs. Will grow social investment market which blends financial return with positive social impact.	(Cabinet Office 2012)

2012 Innovation Fund (IF)	£30mn	Department of Work and Pensions	"Rate card" SIBs, with providers paid for nine outcomes. Aimed to increase employment prospects of 14 to 24 year olds at risk or disadvantage, through commissioning ten SIBs in two funding rounds (see Table 1 above).	(Thomas, Griffiths and Pemberton 2016, 1)
May 2012 Investment and Contract Readiness Fund	£10mn increased to £13.2mn	Cabinet Office	Grants up to £150k to purchase up to "20 months contract-readiness support." ICRF evaluation reported 155 social ventures received £13.2mn grants to help them get investment and become contract ready.	(Ronicle and Fox 2016)
July 2012 Social Incubator Fund	£10mn	Cabinet Office	To strengthen "growing social investment market by providing start-ups with intensive support to enable them to take advantage of social investment opportunities so they better serve communities and people most in need."	(Cabinet Office 2014a)
July 2013 Social Outcomes Fund Commissioning Better Outcomes Fund	£20mn £40mn	Cabinet Office Big Lottery	Can fund 20% of SIB outcome payments. Both funds support development of more SIBs. Available to pay for a proportion of outcomes payments for SIBs in complex policy areas, as well as support to develop robust proposals.	(Cabinet Office 2014a) (Big Lottery Fund 2013, 2017; Cabinet Office 2013)
February 2014 Big Potential Fund	£10mn	Big Lottery	For voluntary, community, and social enterprises (VCSEs) to access grant funding of between £20,000 and £75,000. "To raise awareness of the social investment market and support voluntary, community and social enterprise organisations to prepare for social investment."	(Albertson et al. 2018, 57) (Hazenbergh 2015, 4)
2014 Social Investment Tax Relief (SITF)		HM Treasury	30% tax break to individual investors in eligible "social" organisations - Special Purpose Vehicles (SPVs) set up to manage SIBs if registered with Cabinet Office as "Social Impact Contractor."	(Big Society Capital 2017, 3)

April 2014 Youth Engagement Fund	£30mn	Cabinet Office	SIBs for youth unemployment and homelessness.	(Cabinet Office 2015)
December 2014 Fair Chance Fund Single Homeless Fund	£15mn £8mn	Cabinet Office Department of Communities and Local Government	Payment by results funds for projects £500k to £3mn. Contributes to SIB outcome payments. To fund seven SIBs to tackle youth homelessness by supporting vulnerable 18-24-years olds into accommodation and employment or training.	(Cabinet Office 2014c)
October 2014 Social Ventures Fund	£1.5mn	Cabinet Office	Grants of £15,000 to £150,000 until late January 2015 to help organisations to build their infrastructure and skills and showcase their impact."	(Cabinet Office, 2014c)
2015 Creation of "Access: The Foundation for Social Investment"	More than £100mn	Big Lottery Big Society Capital Department of Culture, Media and Sport (DCMS)	Grants and loans to social enterprises seeking investments of £150,000 or less, with £60mn to support investment readiness and market infrastructure. Now a major social investment support programme.	(Access Foundation 2019)
January 2015 Big Potential Advanced Fund	£10mn	Big Lottery	For supporting "more organisationally developed sections of the Voluntary, Community and Social Enterprise (VCSE) sector to access social investment (amounts larger than £500,000) and/or large public service delivery contracts (in excess of £1mn)."	(London Arts in Health Forum 2015)
July 2016 Life Chances Fund	£80mn	Cabinet Office (now DCMS)	SIBs for young people, early years, healthy lives, older people's services. Up to 20% contribution to outcomes payments.	(Cabinet Office 2016a)

Historical Social Research

Historische Sozialforschung

All articles published in HSR Special Issue 45 (2020) 3:
Social Finance, Impact Investing, and the Financialization of the Public Interest.

Eve Chiapello & Lisa Knoll

Social Finance and Impact Investing. Governing Welfare in the Era of Financialization.

doi: [10.12759/hsr.45.2020.3.7-30](https://doi.org/10.12759/hsr.45.2020.3.7-30)

Emily Barman

Many a Slip: The Challenge of Impact as Boundary Object in Social Finance.

doi: [10.12759/hsr.45.2020.3.31-52](https://doi.org/10.12759/hsr.45.2020.3.31-52)

Antoine Ducastel & Ward Anseeuw

Impact Investing in South Africa: Investing in Empowerment, Empowering Investors.

doi: [10.12759/hsr.45.2020.3.53-73](https://doi.org/10.12759/hsr.45.2020.3.53-73)

Serena Natile

Digital Finance Inclusion and the Mobile Money "Social" Enterprise: A Socio-Legal Critique of M-Pesa in Kenya.

doi: [10.12759/hsr.45.2020.3.74-94](https://doi.org/10.12759/hsr.45.2020.3.74-94)

Jacob Hellman

Feeling Good and Financing Impact: Affective Judgments as a Tool for Social Investing.

doi: [10.12759/hsr.45.2020.3.95-116](https://doi.org/10.12759/hsr.45.2020.3.95-116)

Théo Bourgeron

Constructing the Double Circulation of Capital and "Social Impact." An Ethnographic Study of a French Impact Investment Fund.

doi: [10.12759/hsr.45.2020.3.117-139](https://doi.org/10.12759/hsr.45.2020.3.117-139)

Davide Caselli

Did You Say "Social Impact"? Welfare Transformations, Networks of Expertise, and the Financialization of Italian Welfare.

doi: [10.12759/hsr.45.2020.3.140-160](https://doi.org/10.12759/hsr.45.2020.3.140-160)

Leslie Huckfield

The Mythology of the Social Impact Bond. A Critical Assessment from a Concerned Observer.

doi: [10.12759/hsr.45.2020.3.161-183](https://doi.org/10.12759/hsr.45.2020.3.161-183)

Manuel Wirth

Nudging Subjects at Risk: Social Impact Bonds between Financialization and Compassion.

doi: [10.12759/hsr.45.2020.3.184-205](https://doi.org/10.12759/hsr.45.2020.3.184-205)